

PRABODHAN EDUCATION SOCIETY'S  
 VIDYA PRABODHINI COLLEGE OF COMMERCE, EDUCATION,  
 COMPUTER AND MANAGEMENT, VIDYANAGAR, PARVARI, GOA.  
**F.Y.B.COM SEMESTER END EXAMINATION**  
**APRIL 2018 (REGULAR/REPEAT)**  
**SUB: FINANCIAL STATEMENT ANALYSIS & INTERPRETATION**

SEMESTER: II CLASS:F.Y.B.COM

DURATION: 2 Hours

MAX. MARKS: 40

- Instructions:**
- i. Question No.1 is compulsory
  - ii. Answer **any 3** from Question no. 2 to Question no. 5
  - iii. Each Question carries 20 marks.

Q.1) From the information given below prepare profit and loss a/c as on 31.3.2017 of M/S C Ltd. as per schedule III of the companies act 2013.

Trial balance as on 31<sup>st</sup> March 2017

Particulars	Amount	Particulars	Amount
Opening stock	50,000	Sales	7,00,000
Land and building	1,50,000	Equity shares	4,36,000
Depreciation on land and building	10,000	Outstanding wages	2500
Materials consumed	5,00,000		
Salaries	80,000		
Bad debts	2500		
Bonus to employees	30,000		
Interest on loan	12,000		
Depreciation on machinery	20,000		
Machinery	1,20,000		
Conveyance	5000		
Loss on sale of machinery	12,000		
Insurance	18,000		
Return inward	38,000		
Provision for tax	40,000		
P.F. contribution	21,000		

Computer	30,000		
Total	11,38,500	Total	11,38,500

Closing stock was valued at 1,50,000.

(1x20=20)

Q.2) Following is the Balance Sheet of ABC Co. Ltd. as at 31st March 2017. Prepare Common Size Balance Sheet.

Particulars	Amount	Particulars	Amount
Share capital	5,00,000	Goodwill	30,000
Securities premium account	30,000	Machinery	3,60,000
General reserve	80,000	Premises	3,50,000
Capital reserve	25,000	Furniture	20,000
6% debentures	60,000	Government bonds	12,000
Bank loan (long term)	45,000	Debtors	50,000
Bank overdraft	1,60,000	Stock	90,000
Creditors	70,000	Cash at bank	65,000
Provision for tax	20,000	Prepaid expenses	6000
		Preliminary expenses	7000
Total	9,90,000	Total	9,90,000

(1x20=20)

Q.3) From the following statement of Profit & Loss of Konica Comp. Ltd, prepare Comparative statement of Profit & Loss for the year ended 31-03-2016 and 31-03-2017.

Particulars	31-03-2017	31-03-2016
Sales	8,00,000	6,00,000
Cost of goods sold	5,00,000	4,50,000
Office, administrative & selling expenses	35,000	25,000
Non-operating income	80,000	70,000
Non-operating expenses	60,000	40,000
Tax rate	50%	50%

(1x20=20)



Q.4) Following is the profit and loss account of M/S A Ltd. for the year ending 31<sup>st</sup> march 2017. Prepare vertical income statement as per schedule III of the Companies Act 2013 as on 31<sup>st</sup> march 2017 and also calculate the following ratios: gross profit ratio, expenses ratio, operating ratio, net profit ratio, stock turnover ratio.

Particulars	Amount	Particulars	Amount
To opening stock	4,00,000	By sales	10,00,000
To purchases	2,00,000	Less: returns	1,00,000
To carriage inward	10,000	By closing stock	90,000
To wages	85,000	By dividend	10,000
To salaries	10,000		
To office rent	4000		
To rates and taxes	12,000		
To distribution expenses	6000		
To insurance	6000		
To advertising	1500		
To bad debts	500		
To discount	600		
To general expenses	1000		
To courier charges	400		
To depreciation on fixed asset	2000		
To audit fees	1500		
To provision for taxation	1,30,000		
To net profit	1,29,500		
Total	10,00,000	Total	10,00,000

(1x20=20)

Q.5) Following is the balance sheet of M/S Arya Ltd:

Liabilities	31.3.16	31.3.17	Assets	31.3.16	31.3.17
Equity capital	1,00,000	1,00,000	Cash	10,000	7,200
General reserve	1,00,000	1,00,000	Debtors	70,000	76,800
Profit & loss a/c	96,000	98,000	Stock	50,000	44,000
Current liabilities	72,000	82,000	Land	40,000	60,000
Loan from associate company	Nil	40,000	Buildings	1,00,000	1,10,000
Loan from bank	62,000	50,000	Machinery	1,60,000	1,72,000
Total	4,30,000	4,70,000	Total	4,30,000	4,70,000

1. During the year 52,000 was paid as Dividends
2. The provisions for depreciation against Machinery as on 31.3.16 was 54,000 and on 31.3.17, 72,000. You are required to prepare Cash Flow Statement.

(1x20=20)

Q.6) Write short notes on following:

1. Economic value added
2. Traditional and modern approaches to financial statement analysis
3. Importance of ratio analysis
4. Advantages of EVA
5. Objectives of cash flow statement

(5x4=20)

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